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The Price of Freedom is Eternal Vigilance

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**If Labor is on the Nose, is Liberal Still a Viable Alternative?  
By Neville Archibald**

My first answer to this is, 'Don't be silly – they are no different. Anyone who is awake knows this!' Of course, the public who go from election to election with barely a glance at the policy documents or the actual differences between the two, still vote *en masse* for the 'team' they support. The swinging voters, who do look at promises and sadly still elect to choose a lesser evil rather than something entirely different, still pick a major player, because to do otherwise would be to 'waste' their vote on someone who had no chance of making a change! They have that defeatist attitude before they start. Then there are those who vote strictly because that is the way they always vote and they believe the propaganda that locks them into their support for anything other than 'radical' alternatives.

These are the things I see factoring into each election time. This large mass of habitual voters is already programmed to keep the system in place, the yin and yang swing from one major to the other. Over the years I have seen this used by the party system to their advantage. This twin rivalry, where one always wants to be in power and complains when in the political wilderness of opposition, is really just an acting role. Both realise the necessity of maintaining a charade of actual change, otherwise a real alternative may develop. They still see the overall program they have advancing (globalisation), and they can use the opposition as the excuse to implement 'harsh controls' to combat the 'inadequacies' of the previous government. What better way to seem like a favourable alternative than to have someone to 'blame'. This has always gone a long way in politics. When returned to power, the first things out of their mouths seem to be, the bad state of affairs left to

them by the previous party, which means a few promised items may now be difficult - 'but we will try!'

This continual either/or has gone from actual selection based on policy, to de-selection because the public is fed up with the one currently in power. They are essentially voting a party out, rather than voting one in. Combined with the intentional demonisation of alternatives, this method has worked well for decades, ensuring one or other is always in power, and globalisation continues.

We now have a situation that has changed that view for many of the voting public. The harsh realities of lock-downs and coercing of injections, all for a virus many are beginning to see as contrived, has started a rethink. Couple this with the absolute inability of both parties to address the rising social concerns being voiced loudly by a growing number of discontented, and we now have a portion of people who can see the Uni-party for what it is. Has this spelled out a future direction in voting?

With the by election in Farmer, and the polling being conducted elsewhere now showing a huge rise in support for One Nation, it would seem the either/or selection of the past, may have passed for Australian voters.

The Uni-party, having relied on this mechanism for a main part of their voting base (it may have changed 'sides' but never before really left the globalist fold) is now at a disadvantage. Will they realise this? Have they realised this already? (thus the 'hate speech' legislation). The coming tests we may see, will be what is put in place to restrict alternative parties or candidates from competing on a level footing at the next elections. We have already seen some changes to election funding rules, with donations from individuals limited, and government funding (based on previous election polling) altered also. Both the State and Federal structures will change (if they haven't already) and other limitations will be found, I am sure. Farrer, and the swing away from the majors is an encouraging move in Australia's political landscape. It will challenge media reaction (as it did on the ABC just after One Nations win was announced), it will challenge the social manipulators reactions, and most of all - it must challenge the Uni-party in all its endeavours.

The either/or collective has now finished. Viable justification of this electoral gimmick no longer stands the testing. As an automatic knee jerk that had some benefit, it has now lost its value. Another scare might well be found to push us back into the fold of 'The church of either/or', but I don't believe the public will fall for it any time soon.

### **Who pays the debt?**

The Uni-party has now raised our public debt to unbelievable levels. A new budget has just been released, breaking some of the promises made

by Labor before the last elections, not that long ago. This has seen capital gains taxes introduced or increased (despite the 'reduction in discount' jargon explaining it) and a removal of some forms of negative gearing. All in all, the acknowledgement that something needs to be done to control inflation and reduce debt, has been admitted. The breaking of promises has been declaimed and the words variously used to explain it away, consist of the idea that we've had a rethink! We've made changes to suit the situation!

Words are manipulated to make things seem like an appropriate response, but the projected debt figures don't lie. We are still on an increasing debt spiral and inflation will continue. Cutting spending or stopping the rotting of the system where it is most visible, will please some. While projecting guilt onto those with some money (who have worked hard for it and already paid taxes on it), makes others who are struggling look elsewhere for blame. The government expects to be seen as 'making the hard decisions. A soft target, those who cannot fight back, those who do not pay huge campaign contributions, get the brunt of the reform. Why? Am I on the side of those nasty investor types the government seems intent to demonise?

Many of those effected by capital gains reform, are going to be those who have realised that money in the bank gradually loses value. Interest rate gains do not keep up with inflation losses! This sees the savvy investor (many trying to keep the worth of their hard-earned income), and those saving for a house loan deposit, will now be penalised for trying to keep up with the devaluing of inflation. As fast as they save, the creep of prices and entry levels into the market, sprints ahead of them – without wise investment, you go backwards! These are the very people these laws will affect most. The investors with 3 or 4 properties already, are well advanced compared to those struggling to gain entry. These too though, are also little fish compared to the likes of the big investors and campaign-funders – the global investors.

When you have the likes of the gas debates, recently in the news, and companies like these that strip mine our resources and pay less in tax than the public does in tax on beer, what hope have you of fair play? Government has seen the anger of people about this inequity, it has been raised at many levels, yet the outcome for these groups stays the same. Little or no tax is paid, being written off in depreciation costs, exploration costs, investment incentives, or any number of 'claimable' business allowances. Royalty payments are a joke! So, it falls on the little people, the public, to deal with government debt. The demonisation of those with some hard-earned money among us, which is a fraction of a fraction of the obscene profits that the global industries make (who essentially take most of their profit out of the country), has us fuming when we see it still happening

or virtually ignored after it has been raised. Will we take this anger to the next election? Or will we have forgotten? Or will there be another crisis to worry about by then? A camouflage created problem - distracting out attention away from a two-year-old confrontation (that's the time of the next election).

By-elections, state elections and even council elections are political opportunities for both the parties and the public to go head-to-head in debates over what really should be important. Distractions are the main source of debate usually raised, but with the anger over the further robbing of the people of this country, and no real attempt at addressing the main concerns we have, we should not be backing down or forgetting how we are being treated. We need to keep this recognition alive in our minds. The Uni-party, with all its pretence at concern, has been seen for what it is. It is time to look at something different, candidates and smaller parties alike who believe in the Australia we want to see. Each of us has a different view, each of us has a different idea of how to react. One thing I am fairly certain of, is that each of us no longer sees the major parties as having our best interests at heart. I believe their time in power could be coming to an end – if only we can stay awake and keep our eyes open long enough!

### **A+B does not equal A**

With the talk of a deficit budget and who pays it back, comes the question one must ask – is it real? Just what exactly do all those zeros mean?

Keynesian economics is the foundation of our civilised interaction and it seems to be failing us! There is no doubt that our producers of food and the other basics of life can over produce like crazy when they are allowed to. We have a long history of huge exports to other countries, all while providing for our own population as well. We built this country on the primary produce and resource exports of the past. 'On the sheep's back' is a well-known term. What happened to change this? We are still capable of over-producing, given the right conditions. One of these conditions is the available money supply! This begs the question, how is it, that money is in short supply? Is it not just a representation of wealth? Is our ability to produce something not the real wealth we have? If all money disappeared tomorrow and we kept on doing our thing, would the grain still grow? Would the trees still produce fruit? Would the ability to build something just disappear along with it? Of course not! Why then is the representation of these physical possibilities so limited?

These are the questions first asked by C.H. Douglas in the 1920s. After the abundance of exports created and the finance to make them was found to be, not just possible, but possible under extreme circumstances, the lack of this ability after the war, he found very strange. (Bombs, aeroplanes, tanks, etc – all the

used-up items of war, destructive exports in unlimited quantities were possible, was done! Yet after this real wealth was wasted in this fashion, the money stopped. People producing before, and still capable of producing everyday alternatives instead, suddenly found the permission to do so turned off by a reduction in money supply).

Douglas then turned his attention to why? The rest is history!

It is a sad reflection on the leaders of the time, that his discoveries were not taken up and the fault in the system of monetary policy, was not corrected. He was able to show that there was a missing component, one that stopped all that was produced, from being consumed. The money needed to buy production was not made available to actually spend. The problem was not so much an inability to produce enough (that had been solved by the machine age), but it was a problem of distribution among those who needed it. The law of supply and demand could not be met when the demand side had not the money to buy. This led to his A+B theorem. A discovery that showed the only outcome that could result from Keynesian monetary policy, was ever increasing Debt! Exactly what we have seen world-wide ever since!

In Douglas's own words:

*'There is not a single country where western methods of production are in operation, in which there is any technical productive problem at all, either agricultural or otherwise; and the problem we have to solve is a problem of distribution.*

*Organised distribution, whether it be the allotment of seats in a theatre, in a railway train, or of benefit in a dividend-bearing commercial undertaking, is nearly always in some form or other a matter of tickets, and it is reasonable to conclude that if this is so, and our problem is one of unsatisfactory distribution, the first direction in which to turn our attention should be to the working of the ticket system.*

*The generalised ticket system, under which modern distribution is carried out, we call money, and it is in connection with the money system that we may expect to find what we are looking for.*

***In short, there exists in the world today a producing system which has an immense latent and undrawn on capacity to deliver goods (of which unemployment is only the most obvious indication), and there is, on the other hand, an immense body of unsatisfied consumers; while standing between and outside both, and run with an objective entirely separate from the interests of either production or consumption, is a money system, that is to say, a banking and financial system.'***

It is this very issuing of tickets of exchange that is at fault. Our country could be likened to a railway in which the seat tickets were supplied by a 3<sup>rd</sup> party.

Not enough tickets being issued, means too few passengers and the train might run, but only half full. Add to this, the supplier of the tickets, who claims not only ownership, but extra free tickets for payment as well. The Railway can still function, but it does not do so to the best of its ability, some miss out on the journey, some pay extra to make sure they get on, and some wonder why the train is only ever half full. The latter we call names and accuse of having conspiracy motives!

To break down Douglas' A+B theorem, I suggest you read extensively of his works. He made a thorough study of the world financial system and was adamant it could be changed.

Douglas talks of the A+B part of the economy not equalling the spending power made available to buy production. When he says this, he is placing costs and inputs into separated terms.

A is the cost associated with wages for human effort, dividends given to shareholders and profits.

B is related to items purchased to make production possible. These sources include the basic material items, power costs, plant and machinery costs and depreciation. It also composes debt and interest components.

In both parts, what could loosely be called income eventually finds its way into society as the money to buy the product made (either the end product or another product that could be said to be an 'input' to make the end product – an intermediate step).

Since every company or employer has these same costs, input needed to begin production, and production itself; it would seem that all are interconnected (which they are). This makes for a complicated series of accountancy manipulations to determine just what part of the 'spend' to produce something for sale returns into the hands of someone who will then spend it – thus liquidating the debt incurred.

Douglas noted an anomaly in his first study (that of the royal aircraft factory at Farnborough) which then made him query, if this was true there, was it true elsewhere in industry. Subsequent studies showed that, yes it was!

The input costs which needed to go into the pricing structure of the product to make a company break even (or make a profit to reinvest), were never given back in sufficient quantity to allow the consuming side of the equation purchase the items that was actually made.

A part of this (the most easily seen part), the debt component, which had to be paid back, simply liquidated both initial debt and the interest component. These were taken out of the profit/running cost side and while included in the end price of the final product, never makes it into the hands of someone who will then spend it. The initial debt, paid back, is cancelled out and the extra (in the form

of interest) has to be found as well. There is a case for asserting that the banks or issuer of the loan can then spend that interest to purchase product – the problem with that is, while banks make these sometimes-obscene profits, little goes back to buy product itself.

When you examine the structure of loans and the debt financing involved, you can see the debt steadily rising for every country, no matter how much is produced. For this to be true, the money in the system must be lacking.

If it were a company whose debts were steadily rising, either prices must go up to increase 'profit', or costs must go down to match the amount needed to reduce debt.

Either way the system must adjust to meet payments.

I think this is the very definition of how our economy has been functioning for many, many years. With debt always on the increase, something is wrong. This is what Douglas worked on for most of his life. Developing Social Credit principles to harness man's ability to improve himself and his lot in life – to advance.

It is not a problem of production, per se, but merely one of distribution!

*'As the situation stands at present, the banker is in a unique position. He is probably the only known instance of the possibility of lending something without parting with anything, and making a profit on the transaction, obtaining in the first instance his commodity free.*

*But it is necessary to follow the transaction a little further. Depositor No. 10, having, happily, obtained his overdraft, pays it out to his employees in wages and salaries. These wages and salaries, together with the banker's interest, all go into costs. All costs go into the price the public pays for its goods, and consequently, when Depositor No. 10 repays his banker with £102 obtained from the public in exchange for his goods, and the banker, after placing £2, created by himself, to his profit and loss account, sets the £100 received against the phantom credit previously created, and cancels both of them, there is £100 worth more of goods in the world which are immobilised - of which no one, not even the banker, except potentially, has the money equivalent. The position thus created is remarkable.'*

(a portion of a longer explanation by Douglas in *Breakdown of the Employment System*.)

Confronting some more notable people about this discrepancy, he found himself often pushed aside, or ignored. The most notable response came from long time socialists and the founders of the Fabian Society, which is in this next quote:

*'Some years ago I had the experience of discussing these proposals with Mr. and Mrs. Sydney Webb, and, after disposing, one after the other, of the objections raised to the feasibility of the scheme, I was met with an objection with which,*

*I confess, I found myself wholly unable to deal, and I recognise that objection in the Labour Party report on the Douglas proposals.*

*The words in which it was made to me are worth putting on record.*

*They were: "**I don't care whether the scheme is sound or not; I don't like its object.**" (Letters in bold, my doing.)*

*That is a clear-cut issue: it is an issue which goes right down to the bed rock of human philosophy. It claims that human nature is essentially vile, and can only be kept within bounds by being kept so busy that it has no time to get into mischief.*

*I have no doubt whatever that this philosophy is at the root both of the present economic system and of all the socialistic schemes of nationalised economic and social administration which have culminated in the Russian Soviet Republic.*

*The connection between a section of American (Wall Street) finance and the Russian Revolution is clear and indisputable.'*

The issues we see with our country's leadership, and the two-party preferred version we are expected to like, could be said to be of a similar nature. We all have our reasons for disagreeing with political policy and we wish to have our politicians listen to us; but their reasons, by the very actions they keep taking, do not appear to be on the same wavelength as ours. If we are to change that to best represent our wishes, I think we must call it a day on the party-political monopoly that the Uni-party has become!

This final paragraph by Douglas:

*'I would commend, therefore, to you a most serious consideration of this issue, whether you wish the economic system to be made the vehicle for an unseen government, over which you have no control, which you did not elect, and which you cannot remove so long as you accept its premises; or whether, on the other hand, you are determined to free the forces of modern science, so that your needs for goods and services may be met with increasing facility and decreasing effort, thus, in turn, permitting humanity to expend its energy on altogether higher planes of effort than those involved in the mere provision of the means of subsistence.'*

All quoted text from: *Breakdown of the Employment System*, by C. H. Douglas.

<https://alor.org/Storage/Library/Douglas%20CH%20-%20Breakdown%20of%20the%20Employment%20System.htm> \*\*\*

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